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IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA
FIRST APPELLATE DISTRICT
DIVISION FIVE

CHRISTOPHER S. HALL,
Plaintiff and Respondent,
v.
BENNIE J. LEWIS,
Defendant and Appellant.

A123730
(San Francisco County
Super. Ct. No. CGC-06-455546)

Plaintiff Christopher Hall and defendant Ben Lewis are former domestic partners (though they never registered as such). After their breakup in 2006, Hall filed this civil suit against Lewis seeking damages, restitution and an equitable lien against a two-unit residential building to which Lewis held title. The case was tried before the court, which determined that Hall did not have an ownership interest in the real property, but was entitled to recover \$22,400 for time he spent assisting in renovations to the property. Lewis appeals from the judgment, arguing, among other things, that it was based on an erroneous legal theory of unjust enrichment. We agree and reverse.

I. FACTS AND PROCEDURAL HISTORY

Lewis and Hall met in Boston in 2000 and began an intimate domestic relationship. Lewis owned a condominium and worked in real estate finance. Hall was completing a medical residency and owned no real property. Lewis's financial circumstances were much stronger than Hall's when they met, as Hall was earning considerably less money than Lewis and had debt from his graduate studies.

In 2001 the couple relocated to San Francisco. They rented an apartment for about eight months, during which time Lewis sold his Boston condominium. The couple kept their finances separate and Lewis contributed more to household expenses than did Hall. Their agreement, according to Hall, was that Hall would pay what he could toward expenses each month.

In May 2002, Lewis purchased a two-unit building on Noe Street, making a down payment of \$165,992 out of the proceeds from the sale of his condominium and financing the balance of approximately \$620,000. He took title under a grant deed in his name alone, and Hall was never placed on the title to the property. Lewis claimed deductions relating to the property on his taxes each year; Hall did not. Hall did not contribute anything toward the down payment.

Lewis and Hall moved into the upper unit of the Noe Street property. In correspondence introducing themselves to tenants and neighbors, Hall referred to the two of them as owners of the property. They sometimes referred to the property as “our home” or “our house.” Hall assisted Lewis with administrative work concerning the property and joined him in meetings with lawyers regarding litigation that arose from its purchase.

In 2005, Lewis and Hall discussed purchasing a single family home together. They took out a \$400,000 line of credit against the equity in the Noe Street property in both their names, although Lewis signed the paperwork as “owner and borrower” and Hall signed the paperwork as “borrower.” They intended to use the line of credit as the down payment on the new home, but after their offers on two houses were rejected, they decided to use the money to improve the Noe Street property.

Extensive renovations began at Noe Street. The kitchens and bathrooms of both units were remodeled and a new deck was built on the back of the building. Much of the work was performed by professionals, but Hall testified that he performed such tasks as cutting and stripping crown molding, installing light plates, picking up and making deliveries, landscaping, waiting for repairpersons, meeting with the contractor and cabinet maker, writing expense memos and communicating with workers. He estimated

that he often spent at least 25 hours per week on the project, for a total of about 2000 hours.

Hall had completed his medical studies after the move to San Francisco and his salary had increased substantially, from less than \$50,000 per year in 2001 to \$165,000 in 2006. According to Hall, his contribution to housing expenses (including the mortgage, insurance, and remodeling costs) amounted to \$800 per month in 2002, \$1000 per month in 2003, \$2500 per month in 2004, \$3000 per month in 2005, and \$2000 per month in 2006. According to Lewis, Hall contributed only \$1500 per month from 2004 to 2006 and had made no payments toward maintaining the property or servicing the loan prior to 2004. The mortgage payment and taxes on the property amounted to about \$5000 monthly, exclusive of remodeling expenses.

In June of 2006, the relationship ended and Hall stayed for a time in the downstairs unit before moving out completely. He filed this civil suit against Lewis seeking damages, an equitable lien and the declaration of a constructive trust based on his alleged ownership interest in the Noe Street property. As an alternative, Hall sought compensation for the time he spent on renovations to that property.

The fifth cause of action in Hall's second amended complaint was labeled "Quantum Meruit" and alleged in relevant part: "During the course of their joint ownership, the parties agreed to undertake substantial renovations of the Noe Street property. Hall managed the lion's share of the contracted renovation activities. Hall had an expectation of compensation for his substantial services whether the compensation was reflected in his share of property ownership, or by other means, should their relationship terminate because [Lewis] requested [Hall] perform these services and agreed to pay for the services. Also, Hall had an expectation of receiving a proportionate share of the appreciation to the real property attributable to his renovation services. Hall has received no compensation for these services and is being deprived of a property interest equivalent to the value of these services." Identical allegations were contained in the sixth cause of action, entitled "Unjust Enrichment."

A bench trial was held. Hall testified that he and Lewis had agreed they were co-owners of the Noe Street property, notwithstanding that Lewis alone appeared on the title. Lewis testified that they never made such an agreement regarding ownership. The trial court rejected Hall's claims concerning his alleged ownership interest in the property, concluding that he had not carried his burden of presenting clear and convincing evidence to rebut the statutory presumption that title on the property reflected its true ownership. (See Evid. Code, § 662.) It also rejected his quantum meruit claim. But the court awarded Hall \$22,400 for work he performed in connection with the renovation of the property "under a theory of quasi-contract" to prevent Lewis's unjust enrichment. Lewis appeals.¹

II. DISCUSSION

The trial court explained in its written statement of decision (Code Civ. Proc., § 632) that it was awarding Hall \$22,400 for time spent working on renovations to the Noe Street property because "Lewis should not be allowed to benefit from these contributions without compensating Hall under a theory of quasi contract. Otherwise Lewis would be unjustly enriched." Lewis argues that the verdict in favor of Hall must be reversed because unjust enrichment was merely the basis for the restitution remedy attached to the quantum meruit claim, which the court expressly rejected. We agree that Hall was not entitled to recover the value of his renovation services given the court's factual findings and its rejection of quantum meruit, as articulated in its statement of decision. (See, generally, *Slavin v. Borinstein* (1994) 25 Cal.App.4th 713, 718 [trial court's statement of decision is the "touchstone to determine whether or not the trial court's decision is supported by the facts and law"].)

Unjust enrichment is not a cause of action per se, but a general principle underlying various equitable doctrines and remedies. (*Jogani v. Superior Court* (2008)

¹ Hall has not filed a cross-appeal or otherwise challenged the court's rejection of his claims based on his alleged ownership interest; accordingly, our review is limited to the propriety of the \$22,400 award for work Hall performed that enhanced the value of Lewis's real property.

165 Cal.App.4th 901, 911; see also *McBride v. Boughton* (2004) 123 Cal.App.4th 379, 387 (*McBride*).) Recovery based upon unjust enrichment is synonymous with restitution. (*Melchior v. New Line Productions* (2003) 106 Cal.App.4th 779, 793.) The right to restitution may arise from several theories, including quasi-contract. (*McBride* at p. 388.) Although Hall labeled his sixth cause of action “Unjust Enrichment,” the trial court based its award on the theory of quasi-contract. Quasi-contract is “simply another way of describing the basis for the equitable remedy of restitution when an unjust enrichment has occurred. *Often called quantum meruit*, it applies when one obtains a benefit he may not justifiably retain.” (*McBride, supra*, 123 Cal.App.4th at p. 388, fn. 6, italics added.)

“ ‘The theory of quasi-contractual recovery is that one party has accepted and retained a benefit with full appreciation of the facts, under circumstances making it inequitable for him to retain the benefit without payment of its reasonable value.’ ” (*Day v. Alta Bates Medical Center* (2002) 98 Cal.App.4th 243, 248.) Though a party need not prove the existence of a contract to recover in quasi-contract/quantum meruit (*Maglica v. Maglica* (1998) 66 Cal.App.4th 442, 449), he must show the circumstances were such that “ ‘the services were rendered under some understanding or expectation of both parties that compensation therefor was to be made.’ ” (*Huskinson & Brown v. Wolf* (2004) 32 Cal.4th 453, 458.) In *Marvin v. Marvin* (1976) 18 Cal.3d 660, our Supreme Court extended this principle to claims between nonmarital partners, who, in an appropriate case, “may recover in quantum meruit for the reasonable value of household services rendered less the reasonable value of support received if [he or she] can show that [he or she] rendered services with the expectation of monetary reward.” (*Id.* at p. 684.)

This expectation of compensation is the sticking point in this case. The trial court rejected Hall’s cause of action for quantum meruit because it concluded that Hall had “failed to prove an understanding or expectation that Lewis would compensate him for ‘household services.’ ” Yet it awarded restitution under a theory of quasi-contract that

was based on the very same factual allegations as the claim for quantum meruit.² Having already determined that the parties did not contemplate Hall would be compensated for his efforts, there was no basis for the court to award restitution for the benefit conferred to Lewis under the alternative label of “quasi-contract.”

The court explained in its statement of decision that restitution was required for the renovation expenses because “[s]uch expenses were not simply contributions towards a couple’s mutual expenses but rather improvements to the property in which Hall could not share once the relationship terminated.” Though the evidence supported a determination that Lewis benefitted from Hall’s efforts, “ ‘[t]he fact that one person benefits another is not, by itself, sufficient to require restitution. The person receiving the benefit is required to make restitution only if the circumstances are such that, as between the two individuals, it is *unjust* for the person to retain it.’ ” (*McBride, supra*, 123 Cal.App.4th at p. 389.) Absent a determination that both parties expected Hall to be compensated for his remodeling efforts, it was not unjust for Lewis to accept benefits voluntarily conferred by his domestic partner. “A court of equity admittedly has broad powers, but it may not create totally new substantive rights under the guise of doing equity.” (*Marvin v. Marvin* (1981) 122 Cal.App.3d 871, 876.)

When services are rendered between members of a household, the law will ordinarily presume that they are “prompted by motives of love, friendship and kindness, rather than the desire for gain.” (*Schaad v. Hazelton* (1946) 72 Cal.App.2d 860, 865.) While this presumption may be rebutted through evidence to the contrary, in this case the court expressly concluded that the renovation services were *not* performed with the expectation of financial compensation. The court also rejected Hall’s assertion that he was promised an ownership interest in the property, negating any claim that he performed the renovation with the expectation he would be placed on title as compensation for his

² Although the fifth and sixth causes of action also alleged that Hall had provided services to Lewis’s infirm mother, he had abandoned this aspect of his lawsuit at the time of trial. The only “household services” at issue were those pertaining to the renovation of the Noe Street property.

work. The award of \$22,400 in restitution was contrary to the court's factual determinations and was unsupported by the law.

III. *DISPOSITION*

The judgment is reversed. The superior court is directed to enter a new judgment in favor of defendant Lewis, and, upon proper application, to award reasonable costs to Lewis as the prevailing party. Costs on appeal are awarded to Lewis.

NEEDHAM, J.

We concur.

JONES, P. J.

SIMONS, J.